

STAND. COM. REP. NO.

1755

Honolulu, Hawaii

APR 06 2023

RE: H.B. No. 1081
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 1081, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PENALTIES FOR UNLICENSED CARE HOMES,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify the penalty to be assessed on any person who intentionally operates a care facility without a certificate or license.

Your Committee received testimony in support of this measure from the Department of Health and one individual.

Your Committee finds that unlicensed care homes continue to operate and pose a danger to the public and, in particular, frail, elderly, and vulnerable populations. Your Committee further finds that under existing law, there are two provisions that assess administrative penalties that may be imposed on care home operators. Under section 321-486.3, Hawaii Revised Statutes, the fine for each day of uncertified or unlicensed operation of a care home is only \$100 for the first violation, up to a maximum of \$1,000 for subsequent violations. Your Committee notes that unlicensed care homes charge as much as \$8,000 per month per client for multiple clients. A penalty under section 321-20(1), Hawaii Revised Statutes, of up to \$1,000 per day regardless of the



number of prior violations would be a better remedial penalty to prevent operators from financially benefiting from operating a care home without a certificate or license. This measure will repeal section 321-486.3, Hawaii Revised Statutes, which is not a sufficient penalty to deter unlicensed operators from attempting to profit at the hands of vulnerable elderly and ensures that the more effective penalty as provided by section 321-20(1), Hawaii Revised Statutes, is available.

Your Committee has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1081, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1081, H.D. 1, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

**Record of Votes
Committee on Judiciary
JDC**

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1081 HD1	CPN, JDC	3/31/23

The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
SAN BUENAVENTURA, Joy A.				✓
AWA, Brenton	✓			

TOTAL	4	—	—	1
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Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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*Only one measure per Record of Votes